



Market Analysis & Pricing Centers of Expertise - LB 99-3

Update 27 July 99

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LB 99-3 Overview

- Goals and Objectives
- AFMC/DR Implementation Plan
- OO-ALC Operational Strategy
- Other Center Strategies
- Standardization
- Resources
- Metrics
- Summary



Goals/Objectives

- LB 99-3 - 23 April - Establish Market Analysis and Pricing Centers of Expertise
- Expand use of commercial item solutions in support of the war fighter
- Support the use of price based acquisition strategies
- Integrate the technical, contracting, and program management functions in the conduct of market research



AFMC/DR Implementation Plan

- Each Center a Center of Expertise (COE) for selected items
- Center Implementation Plans approved by Center Commander 1 Aug 99
- FOC 1 Oct 99
- Phase one 1 Oct 99- 30 Sep 00 select pilot programs/products and measure results
- Phase two 1 Oct 00- TBD review results, and expand or alter approach as necessary



OO-ALC Operational Strategy

- Add Market Research/Price Based Acquisition function to AST as COE
- Modules added to AST training process
- Establish web site and database for product lines
- Solicit companies to post their product info against our product lines



Operational Strategy

- Identify pilot programs during Phase I
- Potential pilot product lines
 - Landing Gear
 - Spares buys (over \$100k) to be identified through RPOW buy projects (AY)
 - Trainers Sustainment
 - Identified using existing methods
- IPT (to include AST/COE) conducts market research and develops price based acquisition strategy



Operational Strategy cont'd

- COE will provide JIT training and advice throughout the market research phase
- Metrics collected on number of buys converted to commercial
- Cross feed best practices and lessons learned with other centers
- Interface with other market research experts to expand knowledge



Other Center Strategies

CENTER	RESOURCES	APPROACH	LOCATION OF COE
1. AAC	a. Plan & Pgms Div Expert	a. Initial COE in Plans & Pgms Div	AST
	b. AST Lead	b. Final COE in AST	
	c. IT expert	c. Each PD with technical expert to:	
	d. PD technical expert(s)	oversee product line databases; conduct market research; answer inquiries; be located in home office	
		d. Web Site to solicit companies	
2. ESC	a. Part time System Administrator	a. Multi-functional collaboration	AST
	b. Markit Tool - 5 organic and 5 contractor	b. Emphasize role of PD	
	c. Maximizes use of existing facilities	b. Web based info to include tutorials & research guides; market surveillance data; assessment data	
		c. AST facilitates during pre-award planning process	
		d. FM manages cost estimating & analysis	
		e. Plans & Pgms manages training	



Other Center Strategies

CENTER	RESOURCES	APPROACH	LOCATION OF COE
3. ASC	a. PM - use existing resource	a. Stand-up Market Research Centers (MRC) by product line	AST
	b. Technical Specialist *	b. COE/AST provide guidance in conducting MR	
	c. Financial Specialist *	c. Develop Market Research training tools - initial and I IT training	
	d. Contracting Specialist - use existing resource	d. COE/AST Interface with MRC Leads	
	e. Pricing Specialist *	e. Assist MRCs in establishing repository and web page info	
	f. IT Specialist *		
	* Additional personnel		
4. WR ALC	a. One GS-13 Engineer	a. Pilot Team established to implement	AST
	b. One GS-13 Contract specialist/ price analyst	b. PD gather and analyze information	
		c. AST provide procedures, templates, data repository, training	



Other Center Strategies

CENTER	RESOURCES	APPROACH	LOCATION OF COE
5. OC ALC	a. One Competition Advocacy office	a. Develop Training Profiles	TBD
	b. One from Pricing	b. Utilize areas in pre-solicitation phase	
	c. One from AST		
6. SMC		a. COE assists with surveillance data	Stand Alone org
	a. Contractor support		
	b. IT Support	b. COE gives integrated training	
		c. Customer-performed/COE assisted	
	c. AST		
	d. Others matrixed to provide advise and support	d. Info retained by COE	
		e. Training & Guidance	
		f. Obtain contractor support (Aerospace)	



Standardization

- Metrics to be standard - established by HQ AFMC
- Web Page Portal - one central location (HQ)
- Each center to have a web site with own product line information
 - Additional IT expert may be needed
- HQ wants consistency across centers in areas of expertise



LB 99-3 HQ Web Architecture

AFMC Central Website

Product Listing POCs
Search Engine

Market Research Tools

Center COE Website POCs

Analysis / Historical Data Surveillance Data

COE Website

COE Website

COE Website

COE Website

COE Website

COE Website



Resources

- Augment AST with one Market Research Specialist (GS-13 Eng) and one Contract Price Analyst (GS-12 or 13 Pricer)
- COE located within the AST
- Identify a PD focal point for landing gear
 - Lead Engineer, ES, etc.
- Computers, Software, Printer, misc equip
- TDY money



Draft Metrics

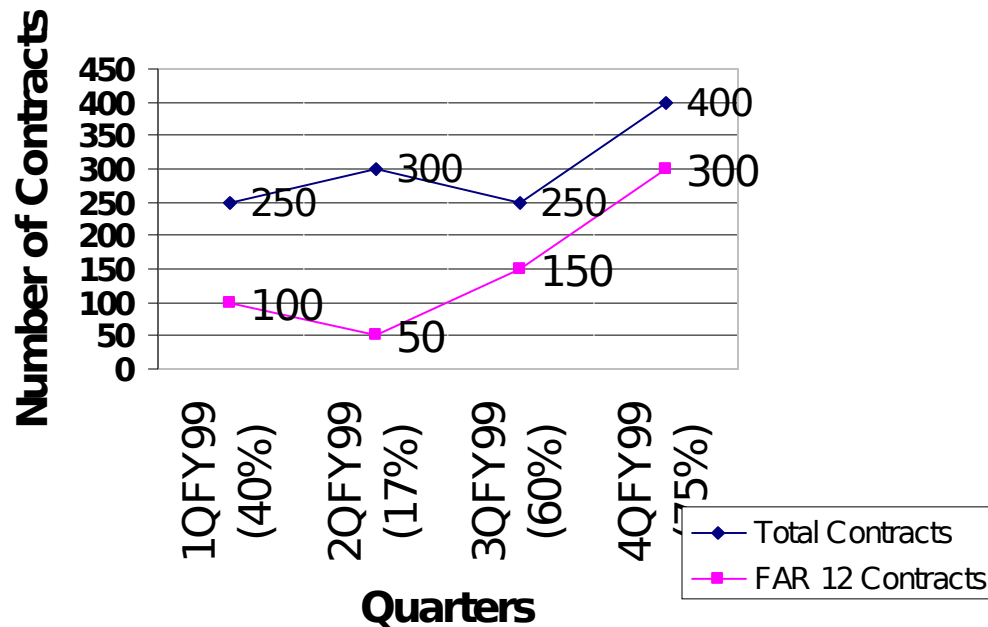
The following charts reflect the draft metrics as a result of the 19 July VTC. Each Center would begin collecting data at the start of 1 Oct 99 and report quarterly.



Ogden Air Logistics Center

**Objective: Measure expanded use of commercial item solutions
(Center)**

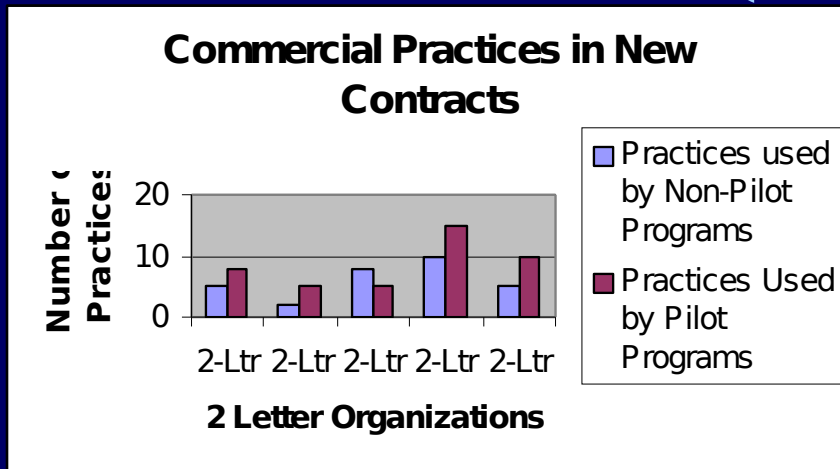
Use of Commercial Item Solutions



Reflects trend in number of FAR 12 contracts awarded in relation to total contracts awarded.



Objective: Measure expanded adoption of commercial practices and Price-Based Acquisition (PBA) Strategies (Center)



Compares implementation of commercial practices for Non-Pilot and Pilot programs by 2-ltr organization for new contracts.

Actual practices implemented are identified on the following chart.



Commercial Practices/PBA Strategies Implemented in *New Contracts* by 2-Ltr Organizations (Center)

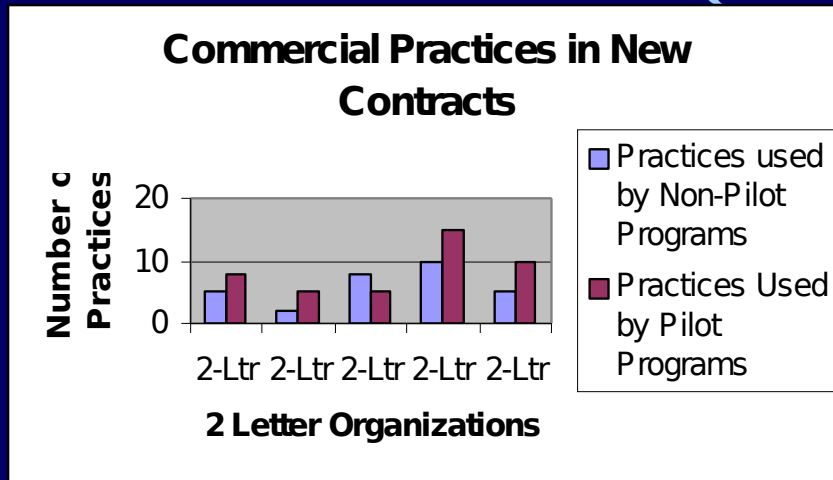
<u>Practice</u>	<u>No. of Non- Pilot Programs</u>	<u>No. of Pilot Programs</u>
Practice A	5	8
Practice B	10	15
Practice C	8	5
Practice D	1	4
Practice E	0	2
"	"	"
Practice Z	6	7

Total Number of Non-Pilot Programs 25

Total Number of Pilot Programs 15



Objective: Measure expanded adoption of commercial practices and Price-Based Acquisition (PBA) Strategies (Center)



Compares implementation of commercial practices for Non-Pilot and Pilot programs by 2-ltr organization for

contract modifications.

Actual practices implemented are identified on the following chart.



Commercial Practices/PBA Strategies Implemented in *Contract Modifications* by 2-Ltr Organizations (Center)

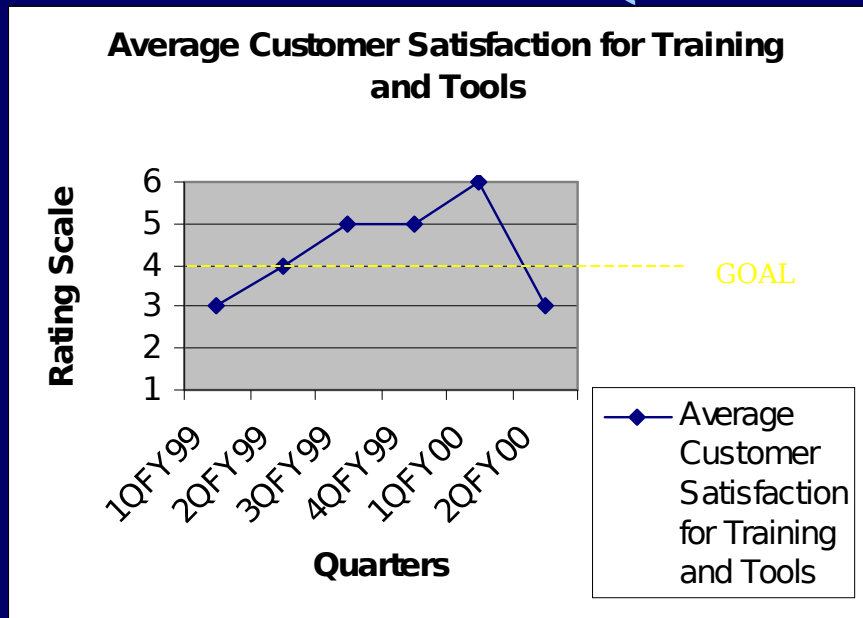
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Total Number of Non-Pilot Programs 25

Total Number of Pilot Programs 15



Objective: Measure use of Market Research Training & Tools (Center)

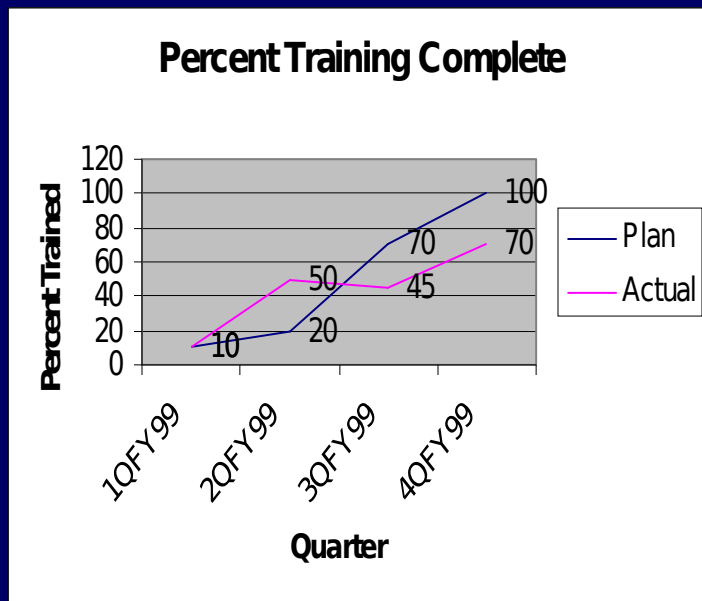


Reflects the average level of customer satisfaction for market research training and tools.

NOTE: We need common core questions with the same rating scale for all centers to use. These questions can be integrated into existing or new customer satisfaction surveys. If a center's average satisfaction rating falls below the goal, then supporting data would also be briefed.



Objective: Measure use of Market Research Training & Tools (Center)



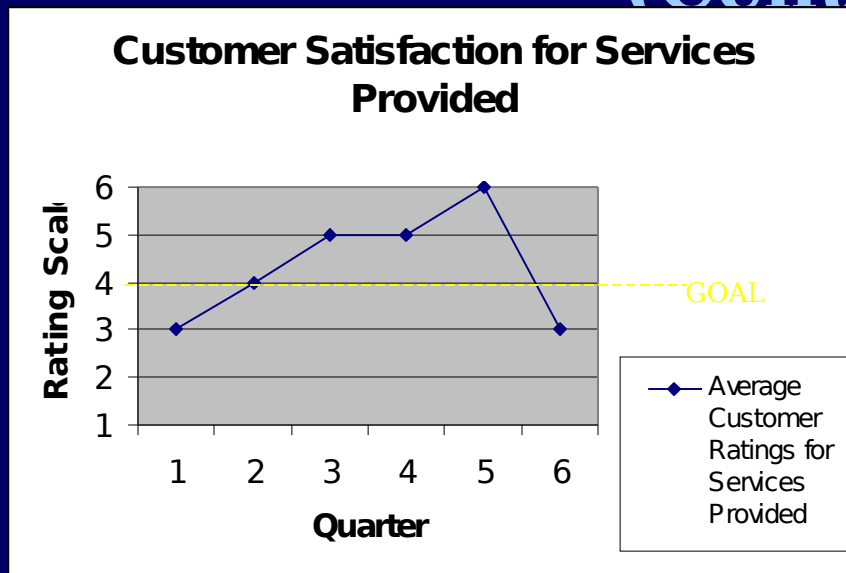
Reflects percent of training complete.

NOTE: Groups to be trained and training to be provided need to be defined.



Ogden Air Logistics Center

Objective: Measure how well market research is being conducted by the multi-functional COE/MRC/PAD (Center)



Reflects the average level of customer satisfaction for services provided by the Center of Expertise and agencies actually collecting and

NOTE: We need common core questions with the same rating scale for all centers to use. These questions can be integrated into existing or new customer satisfaction surveys. If a center's average satisfaction rating falls below the goal, then



Summary

- Lightning Bolt 99-3 implementation in process
- COE to be FOC in AST by 1 Oct 99
- Optimistic on benefits from initiative